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BlackRock's Proxy Voting Updates: Mostly Standing Pat (Again)



Last year, we [blogged](#) that BlackRock's changes to its proxy voting guidelines weren't that impactful compared to prior years. Well, we now have [this year's changes to BlackRock's proxy voting guidelines](#) – and this year's "[Investment Stewardship Global Principles](#)" and "[Investment Stewardship Engagement Priorities](#)" – and again the changes are not major.

The most significant changes relate to:

1. BlackRock's approach regarding climate risk has not changed substantially, although discussion of this item has been revised. BlackRock continues to look to companies to disclose how their long-term strategy will deliver long-term financial returns, but does not dictate how companies should manage climate transition risks and opportunities. If a company has a low-carbon transition plan, BlackRock encourages it to be published (which aligns with what IFRS S1 and S2 require). (See page 4 of the Engagement Priorities; pages 18-19 of the Voting Guidelines.)
2. Request for disclosure about board committee leadership and membership rotation policies, if a company has such policies. (See page 8 of the Voting Guidelines.)
3. The discussion of "key stakeholder interests" has been revised, although the overall message remains consistent (BlackRock encourages disclosure regarding company engagement with key stakeholders). The change is that the statement regarding BlackRock possibly voting against certain directors when the company has not appropriately considered key stakeholder interests has been removed. (See page 19 of the Voting Guidelines.)
4. The CEO and management succession planning section has a new statement that BlackRock may vote against members of the responsible committee where there is significant concern regarding succession planning efforts. (See page 7 of the Voting Guidelines.)

5. A new section about shareholder proposals consolidates positions taken that previously were spread throughout the guidelines. BlackRock evaluates each shareholder proposal on its merit, with a particular focus on long-term value implications. (See pages 20-21 of the Voting Guidelines.)
6. Although there are no material changes to BlackRock's approach to engaging companies on corporate governance norms that drive long-term value, BlackRock notes it's interested in learning how companies are adapting to macroeconomic and geopolitical factors to strengthen their "financial resilience." (See pages 2-4 of the Engagement Priorities.)

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